

FISCAL NOTE

SB 2833 - HB 2856

March 8, 2000

SUMMARY OF BILL: Creates a legal liability for harm to an insured enrollee caused by health maintenance organizations or insurance carriers providing managed care plan. Exempts workers compensation insurance coverage and the TennCare program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Increase Local Govt Expenditures* - Exceeds \$100,000

Estimate assumes that managed care organizations will incur increased costs from exposure to additional liability. Although the state health insurance plan and many local government plans are self-funded and may be exempt under ERISA, to the extent they utilize existing managed care organization health care provider networks and cost to those networks increase as a result of the bill, they would be impacted by that increase in cost.

Bill exempts the TennCare program and workers compensation insurance programs but would apply to the state employees health insurance program and to health insurance programs for employees of local governments.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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